



DIFP

Department of Insurance,
Financial Institutions &
Professional Registration

2014 Annual Report

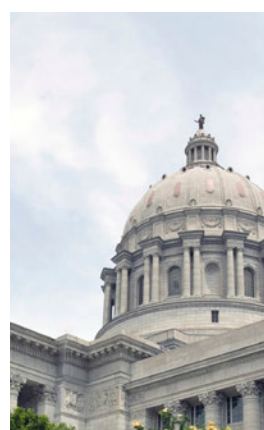
Jeremiah W. (Jay) Nixon
Governor

John M. Huff
Director



“ We continued our core mission of protecting Missourians in 2014 by recovering nearly \$25 million for consumers and obtaining the largest market conduct settlement in the history of the department. ”

Director John M. Huff



Director Huff (right), middle photo, accepts the NAIC Distinguished Service Award.

PROTECTING MISSOURI CONSUMERS

INSIDE

Leadership
Top 10

Insurance Consumer Affairs
Connecting with you

Insurance Market Regulation
Insurance Company Regulation

Administration
Technology

Finance
Credit Unions

Professional Registration
National leadership

International
engagement

Leadership: A three-tiered mission

As the department that regulates insurance companies, the banking, lending and credit union industries and licensed professionals in Missouri, our fundamental mission is three-tiered:

- Protect Missouri consumers.
- Encourage a competitive marketplace.
- Strengthen state-based regulation.

DEPARTMENT LEADERSHIP TEAM



Jim McAdams
Deputy Director



Chris Cline
Communications
Director



Rich Lamb
Legislative
Director



Carrie Couch
Insurance
Consumer
Affairs Acting
Director



Angela Nelson
Insurance
Market
Regulation
Director



John Rehagen
Insurance
Company
Regulation
Director



Grady Martin
Administration
Director



Debbie Hardman
Acting Finance
Commissioner



Ken Bonnot
Credit Unions
Director



**Katie Steele
Danner**
Professional
Registration
Director



“Protecting Missourians and leveraging technology to provide efficient and effective state-based regulation remain the core objectives our department strives to meet each and every day.”

Director John M. Huff



Directors of the insurance divisions answer questions during the second Director's Regulatory Summit in St. Louis.

Regulatory Summit highlights transparency for industry, consumers

The department hosted more than 300 insurance professionals at the second Director's Regulatory Summit. Industry representatives met state regulators and discussed best practices for compliance with state insurance laws and regulations.

Director Huff highlighted the growth of Missouri's insurance marketplace during

his address: Missouri had \$35.6 billion in annual written premium in 2014 and ranked 18th in the country in 2013.

The Summit featured breakout sessions and roundtable discussions with department leadership and consumer advocates, including Dr. Adrian Lund, who is president of the Insurance Institute for

Highway Safety. He delivered the keynote on the effects of distracted driving.

Veteran regulators from the Consumer Affairs, Market Regulation, Company Regulation and Administration divisions covered several regulatory topics as well as emerging trends and hot issues in breakout sessions and roundtables.





Top 10 Accomplishments for 2014



1 Department hosts second Director's Regulatory Summit for insurance industry

The department hosted more than 300 insurance professionals at the second Director's Regulatory Summit held on Oct. 15 in St. Louis. The Summit allowed representatives of Missouri's insurance industry to meet state regulators and discuss best practices for compliance with state insurance laws and regulations.



More than 300 insurance professionals attended the second Director's Regulatory Summit.

2 Department recovers nearly \$25 million for consumers

The Department of Insurance recovered about \$11.7 million for consumers who filed complaints against their insurance companies, and an additional \$12.7 million for Missourians through regulatory market conduct settlements.



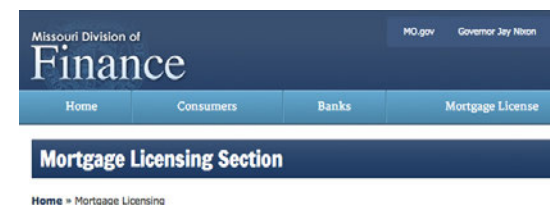
3 Department launches campaign against distracted driving

The department launched a campaign in 2014 that targets distracted driving. The MO Eyes on the Road campaign actively engages parents and teens through social media, public service announcements, publications and online information.



4 Department increases online services to promote transparency

Missouri became the fifth state to use SERFF Filing Access to make insurance company filing records accessible to the public. As a result, consumers now can access insurance company filings for rates, rules and forms through the SFA website at any time, day or night. The department also began accepting electronic funds transfer from all insurance companies for fees associated with filings submitted to SERFF.



5 Division of Finance utilizes Nationwide Mortgage Licensing System

For the first time in 2014, the Division of Finance implemented the Nationwide Mortgage Licensing System to facilitate the licensure of mortgage companies. This system allows the division to update public licensing information in real time for consumer or regulator use and affords the industry a level of automation within the licensing process it previously could not utilize.

Department of Insurance marks 145 years of advocating for Missourians

The Department of Insurance celebrated its 145th anniversary in 2014. It was March 4, 1869, when the Missouri legislature created the Division of Insurance.

At the time, 171 insurers were authorized to sell insurance products in Missouri. The companies held more than \$238 million in assets to back these products. Today, the department regulates nearly 1,500 insurance companies doing business in Missouri with \$5.2 trillion in assets.

The Missouri Constitution was amended in 1991 to separate the Division of Insurance from the Department of Economic Development and to make it a department. When the Department of Insurance was created, state statute also required establishment of a Division of Consumer Affairs to protect Missourians.

Besides Consumer Affairs, the department has three other divisions: Insurance Company Regulation, Insurance Market Regulation and Administration, which licenses nearly 150,000 insurance agents and agencies.



Top 10 Accomplishments for 2014



Director Huff, right, receives the NAIC Distinguished Service Award from NAIC President and North Dakota Insurance Commissioner Adam Hamm.

6 Director Huff nationally recognized with Distinguished Service Award

Department Director John M. Huff received the Distinguished Service Award from the National Association of Insurance Commissioners during its Fall National Meeting. He was recognized for his tenure on the U.S. Department of Treasury's Financial Stability Oversight Council (FSOC).

7 Department reaches record regulatory settlement with health insurer

The department reached a \$7.8 million regulatory settlement with Healthy Alliance Life Insurance Co. and HMO Inc., subsidiaries of Anthem BlueCross BlueShield of Missouri. The settlement is the largest settlement of a Missouri market conduct examination by the department.



8 Captive Manager Maria Sheffield named to Captive Review's Power 50

Department of Insurance Captive Manager Maria Sheffield received international recognition for Missouri's captive growth since she took over in July 2012. Sheffield was one of only eight women who were named to Captive Review's "Power 50."



9 Professional licensing boards host first joint Regulatory Patient Safety Conference



Brian Barnett Dental
Connie Clarkston Healing Arts
Kimberly Grinston Pharmacy
Lori Scheidt Nursing

The Division of Professional Registration's Dental Board, Board of Nursing, Board of Pharmacy and Board of Registration for the Healing Arts hosted the first Joint Regulatory Patient Safety Conference. More than 200 health professionals registered for the conference.

The event was held to foster a platform to discuss issues of mutual concern and to host a conference that promotes patient safety and public protection.

2015 CONFERENCE

The second annual conference will be held **Aug. 28, 2015**, in Jefferson City.

10 Three licensing boards earn high marks on audits

The Missouri Auditor's Office gave high performance ratings to three professional licensing boards that underwent audits:

The Real Estate Commission earned an "excellent" rating. An auditor's team spent several months reviewing the commission's financials and procedures.

The Board of Accountancy was audited for fiscal years 2013 and 2014. The board received a "good" rating with "no significant deficiencies in internal control and no significant deficiencies in management practices and procedures."

The Board of Pharmacy earned a "good" rating and was noted as being "well-managed." The audit encompassed a review of internal controls, inspections and complaint investigations.



Pharmacy Board team members include front, from left: Processing Tech III Laura Henke and Processing Tech I Kelly Bowers. In back are Investigator I Jennifer Luebbert, Processing Tech II Sylvia Ferguson, and PR Administrative Coordinator Tammy Siebert.

Insurance Consumer Affairs Division

- Helps consumers resolve complaints and inquiries.
- Provides information on insurance policy questions.
- Investigates insurance agents, public adjusters and bail bond agents suspected of violations.
- Provides insurance education and outreach activities to Missouri consumers.



Acting Director
Carrie Couch

DIVISION STRUCTURE

Consumer Services Section

This section mediates complaints filed by consumers against insurance companies. Actions by the section can result in insurers paying higher claim amounts to policyholders, reversing denials of coverage or other steps consistent with state law or specific insurance policies.

This section provides consumer education about insurance products through the department's website, by providing on-site assistance after major storms and by participating in outreach events throughout the state. It also provides assistance and other resources to individuals and employers to assist them with shopping for health insurance.

Insurance Consumer HOTLINE

800-726-7390

Consumers with questions can call the Insurance Consumer Hotline or visit insurance.mo.gov

TDD line for hearing impaired:
573-526-4536

How we can help

- Take your complaint
- Get help understanding an insurance policy

Investigations Section

This section handles complaints against insurance agents and agencies, bail bond agents, motor vehicle extended service contract sellers, and public adjusters.

To discipline an agent, the department in most cases must file a complaint with the Administrative Hearing Commission (a neutral, independent administrative tribunal), which determines whether there is cause for discipline. When cause is found, the department can suspend or revoke licenses, put a licensee on probation, order fines or order continuing education.

The section also investigates unlicensed activity and reviews agent license applications. In 2012, DIFP was given authority to license and discipline motor vehicle extended service contract producers.

Veteran regulators named to oversee Consumer Affairs Division, investigations

Fourteen-year DIFP veteran **Carrie Couch** was named acting director of the division. She began her career with the department in 2000 in the Legal Section as a paralegal. In 2007, she became a special investigator with the Consumer Affairs Division. Three years later, Couch was promoted to chief of investigations, which gave her the added duties of supervising 13 investigators and support staff.



Carrie Couch
Acting division director

New Chief of Investigations **Mary Johnson** had been the chief investigative auditor for the Attorney General's Office since 2007. Her duties included investigating fraud, supervising auditors and ensuring federal performance standards were met. Her extensive investigative knowledge gained through audits and financial analysis adds another layer of protection for consumers.



Mary Johnson
Chief of investigations

2014 STATS

Top 5 Consumer complaints

Health	1,606
Auto	781
Homeowners	461
Agents	659
Life and annuities	483

Consumer response

- Consumer restitution recovered: \$11.7M
- Consumers assisted by phone: 27,112
- Formal complaints and inquiries opened: 13,553

Top 4 Enforcement actions

1. Failure to make disclosure on license application or made misstatement
2. Demonstrated lack of fitness or trustworthiness
3. Criminal record/history
4. Failure to respond

Agent investigations

- Investigations opened: 756 (Actions against agents: 289)
- License applications reviewed: 5,004 (Had negative background reported, regulatory actions or were under investigation)

Enforcement actions: 289

- Agents fined: 125 (\$89,109)
- Applications refused: 111
- Licenses issued through consent order: 19
- Licenses revoked: 11
- Licenses surrendered: 22
- Licenses suspended: 1





Insurance Consumer Affairs Division 2014 ACHIEVEMENTS

Division recovers \$11.7 million for consumers

2014 \$11.7M

2013 \$16.1M

2012 \$10.9M

2011 \$19.2M (Joplin tornado)

2010 \$9.7M

2009 \$14.4M

2008 \$12.4M

2007 \$13.7M

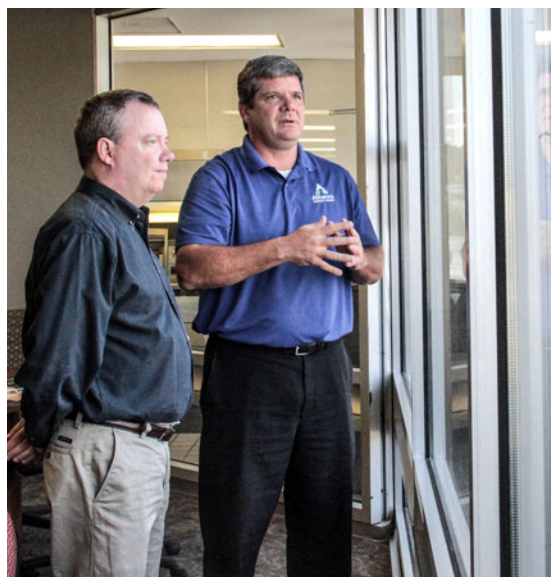
The division returned \$11.7 million to consumers and handled about 40,000 consumer contacts in 2014. Topping the list of 4,263 complaints filed with the department was health insurance with 1,606. That is up from 916 health complaints in 2013. The second leading driver was auto with 781 complaints. Agent investigations drew 657 complaints and life and annuities had 483 complaints.

The top reason for complaints was claim denial with 1,071. Claim processing delays had 855 complaints and unsatisfactory settlement offer had 409 complaints.



Consumer Affairs team

Division assists Ferguson business owners, rural storm victims with insurance questions



Department Director Huff listens as Alliance Credit Union President Tim Stephens describes how his credit union is trying to help the Ferguson community.

FERGUSON RESPONSE

The department traveled to Ferguson multiple times to meet with impacted business owners. On Aug. 27, DIFP Director Huff traveled to Ferguson with Division of Credit Unions Director Ken Bonnot, Property and Casualty Manager Jeana Thomas and Consumer Complaint Specialist II Nathan Kempf.

The team met with business owners at Alliance Credit Union and also went door to door to distribute information about how the department could help.

Director Huff was interviewed on-site by two St. Louis television stations.

The Consumer Affairs team also fielded phone inquiries from business owners and answered questions about business interruption losses and reviewed commercial insurance policies.



FERGUSON RESPONSE

Consumer Affairs Acting Director Carrie Couch, back right, helps a business owner from Ferguson. With her are consumer rep Nathan Kempf and Special Investigator Dana Whaley.



STORM VICTIMS RESPONSE

Following May 10 severe storms in northwest Missouri, Consumer Services Specialist Kim Waller set up shop in the small town of Orrick for the weeks of May 13 and May 20. She helped 29 residents with questions about their insurance policy and claims.



Department Connecting with Missourians

DIFP is sharing information with consumers and industry through video podcasts and a distracted driving campaign.



Communications Director Chris Cline and Public Information Specialist II Yaryna Klimchak give a presentation to their colleagues from other states about DIFP's video podcasts.

DIFP team produce array of educational podcasts

The DIFP communications team continued its production of its online video podcast DIFP Weekly in 2014. The team produced 50 podcasts throughout the year that covered a variety of topics.

The video podcasts feature an educational topic geared for consumers as well as the professionals regulated by the department. The topics vary from insurance to professions regulated by the Division of Professional Registration. The podcasts can be viewed on the department's website or at youtube.com/missouridifp.

In the fall, Public Information Specialist II Yaryna Klimchak and Communications Director Chris Cline were asked to give a presentation about the department's podcasts to their peers at the NAIC PIO Forum. The presentation was well received and other state insurance departments have started to produce their own video podcasts.



DIFP Weekly

The department is reaching out to consumers and professionals through **DIFP Weekly video podcasts**. Here are a few of them:

MO EYES ON THE ROAD

The communications team collaborated with Jefferson City High School's band to create a public service announcement to remind parents and teenagers about the dangers of distracted driving. This PSA is a part of the department's Mo Eyes on the Road campaign, which informs teenagers and parents about the dangers and financial implications of distracted driving.

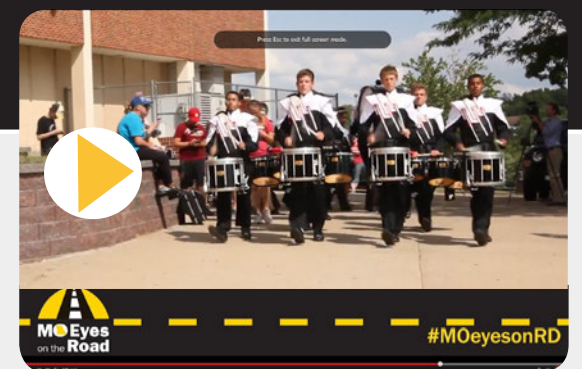
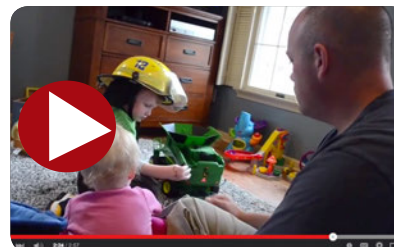
INSURANCE CONSUMER HOTLINE: RECOVERING MONEY

The Consumer Affairs Division helped a Clinton man recover \$110,000 from his insurance company after he suffered a heart attack. The division operates the Insurance Consumer Hotline throughout the week, helping consumers with insurance issues, such as the Clinton man's, and answering their insurance questions.



LIFE INSURANCE

Life insurance is something all families should consider so that their loved ones can be taken care of in case of an unforeseen death. This DIFP Weekly tells the story of firefighter Darren Day and his children.



DIFP launches distracted driving campaign

In July the department began a distracted driving campaign aimed at giving teens more incentive to keep their eyes on the road. Along with the cost of life, the MO Eyes on the Road campaign focuses on the financial consequences of an accident.

The department created a Web page, called MoEyesontheRoad.com, which offers a variety of resources. A series of podcasts and posters were produced that explore the consequences of distracted driving. The department also distributed lanyards with the MO Eyes on the Road logo to remind teens to pay attention to the road.

Department teams visited with students at high schools and universities to increase awareness about distracted driving. The campaign will continue in 2015.



Insurance Market Regulation Division

- Reviews insurance policies, rates, products and marketing strategies for compliance with Missouri law.

- Performs market conduct examinations to ensure fair treatment of policyholders and compliance with Missouri law, and monitors the marketplace.



Director
Angela Nelson

DIVISION STRUCTURE

Market Conduct Section

Unlike the Consumer Affairs Division, which handles individual complaints, the Market Conduct Section delves deep into the operations of insurance companies suspected of violating Missouri laws. Violations found during exams and investigations may result in restitution to policyholders, fines or both. Fines and penalties assessed by Market Conduct go to the Missouri State School Fund. In 2014, 44 investigations or examinations were resolved through voluntary settlements.

Market conduct consumer recoveries



Market conduct company fines



Statistics Section

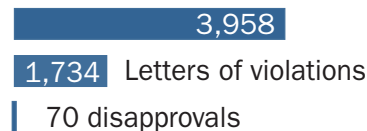
Thousands of data filings are submitted to the department every year. Most of these filings are analyzed by the Statistics Section. In 2014, nearly 6,700 data filings, excluding financial and market conduct annual statements, were submitted directly to the section. After validating and analyzing all of the insurance company data submissions, the Statistics Section creates databases, publishes reports on insurance markets in Missouri and monitors the availability and affordability of insurance coverage in the state.

Life and Healthcare Section

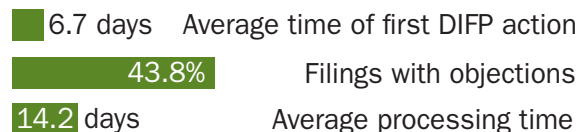
This section pre-approves all life and health insurance policy forms sold to Missourians. This prior approval requirement extends to group and individual health policies, annuities, prepaid dental plans, HMOs and others. Medigap rates must be approved by the section. Missouri law does not require rates to be filed for health insurance products. Missouri is the only state in the country that does not receive or review health insurance rate information.

Life & Healthcare/2014

Form, rule & rate filings received



Pages of insurance filings reviewed: 154,162



Extensive data on companies doing business here can be found on [DIFP's website](#), including these reports:

Autism Treatment and ABA

Consumer Complaint Index

Homeowners Insurance

Legal Malpractice

Life, Accident & Health Supplement

Market Share

Medical Malpractice

Mortgage Guaranty Insurance

Private Passenger Automobile

Product Liability

Property & Casualty Supplement

Real Estate Malpractice

Property and Casualty Section

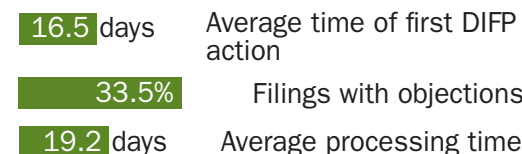
This section reviews policies and rates for auto, homeowners, title, workers' compensation, commercial property, credit, malpractice insurance and more. If DIFP identifies potential violations in filings, insurance companies are notified and allowed the opportunity to correct the potential violation.

Property & Casualty/2014

Form, rule & rate filings received



Pages of insurance filings reviewed: 257,871



Insurance regulatory cost

- Missouri ranked **12th** among the states in 2013 as having the lowest regulatory cost.

The rankings were based on data from the National Association of Insurance Commissioners. Budgets of state departments were compared to every \$1,000 they regulate in premium.

Insurance companies offering coverage in Missouri at start of year

	2012	2013	2014	2015
Homeowners	135	138	131	127
Auto	200	199	186	176
Comprehensive health (not HMOs)	63	51	53	47
Life & annuities	428	420	420	399
HMOs	17	18	16	15
Long-term care	103	97	99	95
Medical malpractice	46	51	50	49
Workers' comp	311	322	318	320



Market Conduct team has record-setting year

Since 2009, the Market Conduct Section has recovered more than \$34 million in restitution and fines. Here are two recoveries made in 2014:

- \$7.8 million was returned to consumers in the St. Louis area from Anthem BlueCross BlueShield of Missouri. The settlement was the largest obtained by the market conduct team after the insurer didn't inform customers of the availability of a cheaper, identical plan. About 5,500 individuals received refunds for premiums paid into the more expensive plan.
- A multistate market conduct investigation of Humana Insurance Co. resulted in a \$4.5 million regulatory settlement of which \$390,886 was paid to the Missouri State School Fund. Humana had been requiring some employers who purchased small-group medical insurance to also purchase group life insurance.



Insurance company filings now open for online viewing

With the help of the National Association of Insurance Commissioners, the department launched the Web-based SERFF Filing Access into electronic public access. Consumers now can view life and health and property and casualty form and rate filings for free at any time of the day or night.

Birny Birnbaum, executive director of the Center for Economic Justice, said, "The Center for Economic Justice writes to thank you for your department's implementation of SERFF Web Public Access. This is an important pro-consumer action that enables the public to more effectively monitor the activities of insurers. We commend you and the Department for this action and stand ready to assist in the promotion of the new consumer tool."

Prior to this, consumers and others had to make an appointment and visit the Jefferson City office to access insurance company filings. Missouri was the fifth state to make these records accessible for consumers via SERFF Filing Access.

A DIFP Weekly Nov. 14 podcast shows how the market conduct team is holding insurers accountable. Examiner Darren Jordan is shown on the video along with his market conduct co-workers in Jefferson City. [View this and other podcasts.](#)



Disapproval orders, actions now online

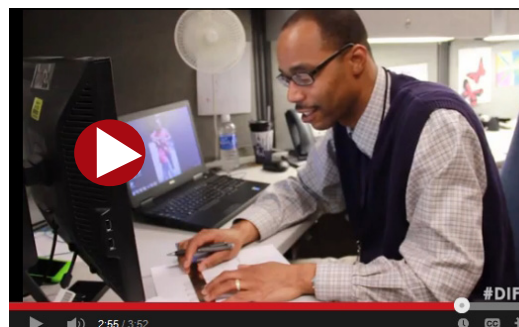
Life and health disapproval orders and property and casualty disapproval actions became available for consumers to access online.

When a company's life or health product filing is determined to not comply with Missouri insurance laws, those forms are disapproved by the department director. Once an order of disapproval has been issued, the company cannot use the forms.

For homeowner and private passenger auto policy forms, if the director believes a form does not comply with state law, a petition is filed with the Administrative Hearing Commission, asking that the policy be disapproved.

The companies may continue to use the form unless or until the commission renders a judicial determination on compliance.

The online publication of these regulatory actions provides additional transparency to Missourians and the insurance industry.



From left are Heather Carlson, Jennifer Haile, Rob Reichart, Stewart Freilich and Tina Campbell.

Insurance Employee of the Quarter goes to Market Conduct team and Life and Health team member

Market Conduct team Jennifer Haile, Rob Reichart, Tina Campbell, Stewart Freilich and Heather Carlson was named 2014 Team of the First Quarter. The team was described as an "extremely creative group that, combined its members' institutional knowledge, is able to produce extremely effective solutions to numerous problems and issues." Since 2009, this team has helped generate more than \$20 million in fines and restitution.

Camille Anderson-Weddle was named Employee of the Second Quarter. She is an insurance product analyst III in the division. Camille was recognized for having a "remarkable work ethic" and consistently completing the highest volume of filings in her section, Life and Healthcare. She has been with the office since January 2012.





Insurance Company Regulation Division

- Monitors and analyzes the financial condition of insurance companies licensed in Missouri to ensure they can pay claims.
- Enforces the laws governing other insurance-related entities registered in the state.



Director John Rehagen

DIVISION STRUCTURE

Financial Examination Section

This section performs examinations of insurance companies headquartered or incorporated in Missouri. These are known as domestic insurers.

Exam time

DIFP analyzes quarterly financial statements from insurance companies doing business in Missouri. It also conducts comprehensive financial exams:

- Missouri-based (domestic) insurers are examined every three to five years.
- Missouri's county and farm mutuals are examined at least every five years.
- Out-of-state (foreign) and international (alien) insurers are examined by regulators in their jurisdiction.

Admissions Section

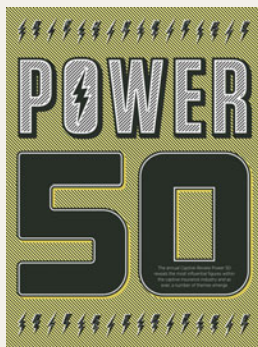
This section issues licenses, called certificates of authority, to insurance companies doing business in Missouri. A license is issued after financial and policy analysts review a company's financial health, proposed forms and history.

Captive Section

This section licenses and regulates captive insurers that operate in Missouri. Captives are a formalized form of self-insurance that provides risk management benefits for their owner, which also is the insured. Besides the benefits provided to their owners, captives pay premium tax to the state.

Captive Manager Maria Sheffield named to Captive Review's Power 50

Captive Insurance Program Manager Maria Sheffield received international recognition for Missouri's captive growth since she took over in July 2012. Sheffield was one of eight women named to Captive Review's "Power 50."



The London-based publication, with over 12,000 subscribers, annually selects 50 of the most influential professionals viewed as having wielded the biggest impact on the industry worldwide. In

compiling the final list, four criteria were used: industry influence and history, level of respect within the captive community, relationship with regulatory bodies and ability to creatively shape the future of the industry.

Over 600 submissions were vetted by a panel of industry experts from around the world.

Also for the first time, Missouri was nominated as a finalist for Captive Review's 2014 U.S. Captive Domicile of the Year.

“It's a great honor to be named to this elite list. This designation is a testament to the tremendous work done by Director Huff and our entire team to create an environment where businesses want to work and grow.”

MARIA SHEFFIELD, CAPTIVE INSURANCE PROGRAM MANAGER



Division actuary named Insurance Employee of Quarter

Veteran actuary William Leung was named Insurance Employee of the Third Quarter. The life and health actuary has nearly 30 years of actuarial experience. During the presentation, DIFP Director Huff said, "The reviews completed by William are technically sound and ensure that these highly complex companies are adequately reserving." He joined the office in the spring of 2014.

Financial Analysis Section

This section monitors the solvency and legal compliance of all insurance companies doing business in Missouri. At year's end, there were 1,982 insurance companies licensed in Missouri.

Company changes	2014
Insurance companies admitted	23
Non-insurance companies admitted	77
Mergers	19
Lines of authority added	7
Company withdrawals	9

Insurance Regulatory Section

This section determines surplus lines premium taxes due to the state for non-admitted policies placed through brokers with surplus lines insurers or directly procured by insureds. The tax rate is 5 percent of premium for Missouri home state policies.

This section also enforces laws governing licensing and registration of nearly 1,000 regulated entities. This includes the registration and ongoing monitoring of surplus lines insurers and risk retention groups as well as non-insurance companies that provide insurance-related products or services. Examples are third party administrators, managing general agents, discount medical plans and reinsurance intermediaries.



Insurance Company Regulation Division 2014 ACHIEVEMENTS

The division saw significant growth in traditional companies in 2014 as well as a 5 percent increase in premium sales from 2013 – from \$33.9 billion to \$35.6 billion.

There were three redemestications of companies, partly attributed to House Bill 1361, which was signed into law in 2014 by Gov. Jay Nixon. It sets guidelines for allowing domestic surplus lines companies.

Also, Chesterfield-based life reinsurer RGA formed a new company in 2014 and the Columbia-based property and casualty group Shelter Insurance formed a new company to expand its operations in the western United States. Both are large employers in Missouri.

Overall the insurance market in Missouri continues to be strong and is consistently growing. Based on premium, Missouri is the 38th largest insurance market in the world, larger than many countries. Missouri also continues to be a significant state for life reinsurance with nearly 20 percent of all new reinsurance premiums written by RGA Reinsurance Co.



Company Regulation team members learned more about the captive insurance market at a forum hosted by the Missouri Captive Insurance Association. Front, from left, are Mike Shadowens, Jodi Farris, Karen Milster, Maria Sheffield, Leslie Nehring, Mandy Luckenbach and Amy Snyder. In back are Robert Jordan, Tom Cunningham, John Rehagen, John Boczkiewicz, Mike Behrens and Wyatt Sample.

Captive program thrives; record licenses issued

The captive insurance industry is a thriving \$5 billion industry in Missouri with a record 12 licenses issued in 2014.

There are 47 captives now licensed. The quality and diversity of the 2014 licenses are outstanding. New captives were licensed in

Year	Captives	Licenses issued
2014	47	12
2013	35	7
2012	28	9
2011	19	8
2010	11	6
2009	6	3
2008	3	1
2007	2	2

credit reporting, life and sciences, technology, energy, retail, executive recruitment, construction and building products, banking, financing and securities. The diversity highlights the steady growth in Missouri's successful captive market.



New acting division director oversees restructuring

John Rehagen, who was named acting division director on Jan. 1, oversaw a major restructuring of the division. Phase one is complete:



John Rehagen at the 2014 Regulatory Summit.

- Leslie Nehring was named acting chief financial examiner with overall responsibility for analysis, examination and accreditation.
- Mark Nance and Mike Shadowens were named assistant chief financial examiners. Besides their examination and analysis duties, they also will approve regulatory filings.
- Debbie Doggett will remain in her key position as chief financial analyst with a renewed focus on streamlining and modernizing the analysis function.
- Lillian Overbey was named the insurance regulation and taxation manager. Besides her surplus lines responsibility, she will oversee non-accreditation insurance regulation items.

2014 STATS

Financial Analysis Section

- Insurance premium sales: \$35.6 billion
- Total capital and surplus: \$1.17 trillion
- Total admitted assets: \$5.65 trillion

Financial Admissions Section

- Total licensed insurance companies: 1,982
- Domestic (Missouri) insurers: 225
- Foreign (out-of-state) insurers: 1,450
- Alien (non-U.S.) insurers: 307

Insurance Regulatory Section

- Surplus lines premium tax: \$28.7 million
- Registered insurance-related entities: 845

Captive Section

- Captive premium tax: \$1.6 million
- Licenses issued: 12
- Total active captives: 47



Division takes leadership role in self-risk assessment among insurance companies



Leslie Nehring

Missouri took a lead role in the Own Risk and Solvency Assessment Pilot Project, which was sponsored by the National Association of Insurance Commissioners.


Leslie Nehring, chief financial examiner, and several of her examination and analysis team participated in the 2014 ORSA Pilot Project, which was the third and final one.

Missouri has participated in each project, but under Nehring's leadership, DIFP was charged for the first time with lead state responsibilities.

She has lead a series of regulator-to-regulator and regulator-to-company phone calls to better understand companies' ORSA and to suggest enhancement in their filings. Missouri's lead role not only allowed for a great training opportunity for DIFP's team, but through the review process DIFP also helped other states.

The NAIC adopted the Risk Management and ORSA Model law in 2012, which requires certain insurers and insurance groups to implement and maintain a continuous risk management process. ORSA will take effect in many states in 2015 and will become an accreditation standard in 2018.

There is pending legislation in 2015 that would incorporate the ORSA model into Missouri law. Nehring's team is taking a proactive approach in preparations for ORSA implementation in Missouri.



Robust insurance market

- Premium volume for Missouri insurers hit \$35.6 billion in 2014.
- The Missouri insurance market ranks 38th in the world, exceeding many countries.
- Missouri-based RGA Reinsurance Co. comprises nearly 20 percent of the national market share for life reinsurance.

Convention participation

John Rehagen, director of the Company Regulation Division, speaks during the 119th annual convention of the Missouri Association of Mutual Insurance Companies in Columbia. DIFP regulates mutuals, which, in general, are small companies serving rural policyholders. There are about 90 of them in Missouri.

Financial Summit attracts nearly 600 regulators, industry representatives

Department Director Huff welcomed more than 570 regulators and industry representatives from around the country to the 2014 Financial Summit hosted in Kansas City by the National Association of Insurance Commissioners.

He was joined by NAIC President and North Dakota Insurance Commissioner Adam Hamm, Vermont Department of Financial Regulation Commissioner Susan Donegan and Rhode Island Insurance Superintendent Joe Torti III.

"It's a privilege to host such a distinguished group of regulators and industry leaders in our home state," said Huff. He and 35 exam and analysis team members from the Division of Company Regulation attended the summit.

The summit focused on 2014 NAIC leadership initiatives, including corporate governance, statutory accounting updates, groupwide supervision, financial analysis,



DIFP Director Huff, left, and Rhode Island Insurance Superintendent Joe Torti III visit with participants after speaking at the Financial Summit.

Principle-Based Reserving, enterprise risk management, Own Risk and Solvency Assessment and reinsurance.

Huff chairs the NAIC Financial Regulation Standards and Accreditation (F) Committee and Reinsurance (E) Task Force.



Administration Division

- Protects consumers by licensing regulated entities and individuals. Licensing includes review of qualifications, education, criminal history and compliance with Missouri law.

- Provides administrative support to all divisions, including accounting, human resources, budget and IT.



Director
Grady Martin

DIVISION STRUCTURE

Licensing Section

This section issues and renews licenses of all insurance producers (agents) doing business in the state as well public adjusters, bail bond agents, surety recovery agents, surplus lines brokers, motor vehicle extended service contract providers and producers, portable electronics insurance providers and navigators. Discipline of licensees is handled by the department's Consumer Affairs Division.

Fiscal Services Section

This section is responsible for the fiscal management of state insurance funds, including accounts payable, accounts receivable, contracts and procurement, as well as support functions such as mail room, inventory and fleet management.

FY 2014 budget:
\$40.4 million

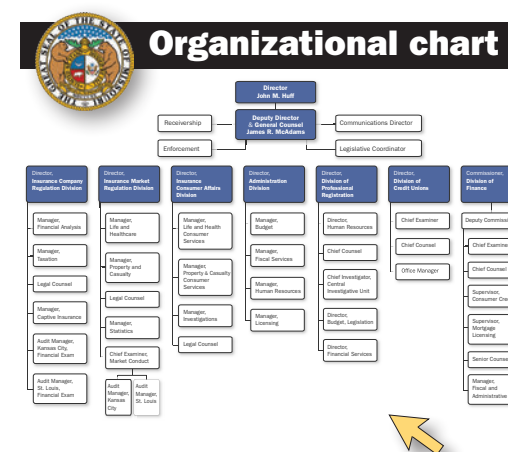
Professional Registration	\$15.3M
Insurance divisions	\$15.2M
Finance	\$8.6M
Credit Unions	\$1.3M

Budget Section

DIFP's fiscal year 2014 operating budget is \$40.4 million with 580 full-time employees. The department receives no general revenue and is funded through fees from industries the department regulates.

Human Resources Section

This section administers employee pay and benefits, develops and implements employee policies and procedures, recruits applicants and trains employees.



Administration team member Rochelle Hendrickson provides CLAIM information to attendees of a rural health clinics conference.

CLAIM Program

The Administration Division oversees the CLAIM Program, which provides free counseling for Missouri consumers with Medicare and their caregivers. CLAIM is funded by DIFP and the federal Administration for Community Living. Consumers can contact CLAIM by phone or online:

800-390-3330 missouryclaim.org

2014 STATS

Total licensees in December 2014: 160,810

Insurance producers (agents)	141,385	General bail bond corporations	9	Public adjuster corporations	39	Temporary title producers	21
Business entity producers (agencies)	13,412	Surety recovery agents	28	Surplus lines producers	1,624	Organizational credit business entity providers	203
Bail bond agents	801	Public adjusters	140	Navigators (individual)	795	Motor vehicle extended service contract producers	1,991
General bail bond agents	139	Public adjuster solicitors	7	Navigators (entity)	94	Motor vehicle extended service contract business entity producers	100
				Portable electronics	22		

Leadership
Top 10

Insurance Consumer Affairs
Connecting with you

Insurance Market Regulation
Insurance Company Regulation

Administration
Technology

Finance
Credit Unions

Professional Registration
National leadership

International
engagement



Administration Division 2014 ACHIEVEMENTS

Free Medicare program counsels thousands of Missourians

Volunteers and staff of CLAIM, Missouri's State Health Assistance Program (SHIP), provided 51,900 one-on-one counseling sessions with Missourians in 2014. The program is partly funded by DIFP. The volunteers and CLAIM team also:

- Provided 419 presentations reaching 17,990 participants.
- Exhibited at 233 events reaching more than 64,000 people.
- Held 223 Medicare enrollment events serving 4,748 individuals.
- Logged over 37,000 hours for counseling and outreach services.



CLAIM counselors help recipients. View the video.

CLAIM newsletter highlights good works of volunteers

CLAIM and the department produce a quarterly newsletter for the CLAIM volunteers and community partners throughout the state. [View the newsletter.](#)



CLAIM VOLUNTEERS NEEDED

Would you like to volunteer as a Medicare counselor?
Please call or go online for a volunteer information packet:

800-390-3330

missouricclaim.org

Online services saving time, money

The Administration Division continues to use online technology to enhance services for consumers and companies.

- The division in 2014 began allowing insurance agents who are late in renewing their licenses to renew them online. Prior to October, only paper late renewals were accepted. This will speed up processing time. A record 90 percent of agents applied for or renewed their licenses online in October.
- Companies filing insurance rates and forms with the department can now pay electronically through the System for Electronic Rate and Form Filings. For May, 92 percent of the insurance companies paid online. Invoices were sent to the remaining 8 percent.



Administration director chosen for inaugural tech award for executive agencies



Administration Director Grady Martin was awarded the Customer Award during the state Information Technology Services Division's first Techie Awards presentation on Dec. 16. IT team members cast hundreds of votes for 157 nominees in 10 categories.

The Customer Award goes to an employee of an ITSD customer agency who demonstrates

a "passion to leverage technology for the benefit of the state. He/she is a highly valued partner who helps bring IT and the business together with measured and tangible benefits."

The nominating IT member said Martin is "supportive in utilizing technology to reach DIFP's goals of creating a better experience

for customers. Grady strives to improve efficiencies throughout DIFP. He recognized a common problem within state government: Paper!

"Grady was the innovative visionary who asked that ITSD create electronic forms and approval process for many common internal forms. From this idea, eDocs was born."



Leveraging Technology

Department enhances efficiency, transparency to keep data flowing for benefit of Missouri consumers.

Under the leadership of Director Huff, the department has continued to improve efficiency and transparency by using Web-based technology. Through Director Huff's vision of leveraging technology, the DIFP has implemented several tools that have improved efficiency and transparency for consumers as well as the industries it regulates.

SERFF FILING ACCESS

Consumers can now view insurance company filings for rates, rules and forms through the SFA website at no charge. Rates, rules and forms are filed with the department when required by Missouri law. Missouri became the fifth state to use SFA to make these records accessible to the public.

STATE BASED SYSTEMS

In 2014 the department began offering agents the ability to print their licenses and educational transcripts at any time



online through State Based Systems. The department also expanded its online capability to accept late renewals of agent applications. SBS also allows the Company Regulation Division to track all business entities.

"By expanding our online capabilities, we improve services to consumers and agents," said Director Huff. "Using computers and tablets to access this information is becoming the norm. Our department will continue to stay at the

forefront of modernization of regulation."

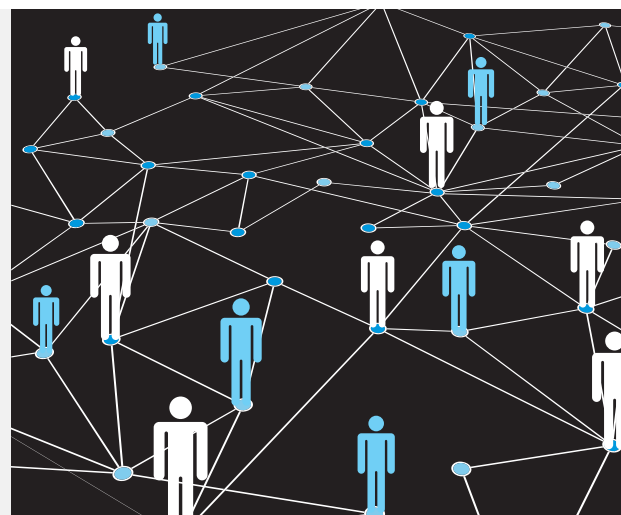
DIFP partnered with the National Association of Insurance Commissioners and National Insurance Producers Registry to offer these self-service tools. As part of the initiative, the department offered agents 24/7 access to their licenses online. They no longer need to wait for their licenses to be mailed.

NEW LAW EXPANDS ELECTRONIC DELIVERY OF INSURANCE INFO

Missourians now have more paperless options when receiving policy information from their insurance companies, and commercial property owners will see expanded insurance protections, thanks to a new law signed by Gov. Jay Nixon. Policyholders can still receive a mailed copy of their policy at no cost or view it on the company's website, continuing a trend toward electronic communication by regulators and insurers in Missouri.

Professional Registration Division continues to implement online licensure system

The Division of Professional Registration continued to implement its new licensure system in 2014. The system is anticipated to enhance online services for the licensees who are regulated by the professional licensing boards. Once implemented in 2015, the new system will expand on the existing online services of renewals, application checklists, searchable licensee databases and downloadable listings.



Division of Finance uses new licensure system for mortgage companies

For the first time in 2014, the Division of Finance began using the Nationwide Mortgage Licensing System to facilitate the licensure of mortgage companies. The system allows the division to update public licensing information in real time for consumer or regulator use and affords the industry a level of automation within the licensing process it previously could not use.



Finance Division

- Enforces laws for banks, trust companies, savings and loans, mortgage brokers and consumer credit lenders in Missouri.
- Assists consumers with complaints and inquiries.
- Analyzes the safety and soundness of financial institutions for Missouri depositors through financial examinations.



Acting Commissioner
Debbie Hardman

DIVISION STRUCTURE


Banks and Trust Section

This section regulates and examines state-chartered banks and trust companies for solvency to protect depositors. Banks can choose either a federal or a state charter, and about 90 percent of banks in Missouri are state-chartered.

Federally chartered banks are regulated by the Office of the Comptroller of the Currency. Customer deposits are insured by the Federal Deposit Insurance Corp. (FDIC). The section also regulates five state-chartered savings and loan associations. Federal savings institutions are regulated by the Office of the Comptroller of Currency.

EXAM TIME

The division analyzes financial statements from state-chartered banks and savings and loan associations each quarter. It also examines institutions rated satisfactory at least once every 18 months. Others are examined at least once every 12 months.



We're No. 5

- Missouri ranks fifth in the nation in the number of state-chartered banks with 262.
- About 90 percent of Missouri banks are state-chartered.

Consumer Credit Section

This section enforces state and federal laws governing consumer transactions, including Truth-in-Lending and anti-discrimination laws. It also handles consumer complaints and inquiries.

Companies licensed and examined by this section include payday lenders, title lenders, consumer installment lenders, small loan companies, debt adjusters and companies that issue money orders, traveler's checks or transmit funds electronically.

The section also enforces anti-discrimination ("redlining") laws for state-regulated lenders and mortgage brokers. These laws prohibit discrimination in residential real estate loans based on property location, race, age, sex, marital status, religion or national origin of the borrower.

Companies licensed by the Consumer Credit Section

Payday lenders	886
Consumer installment lenders	976
Small loan lenders	517
Title loan lenders	84
Motor vehicle time sales lenders	197
Missouri financing institutions	85
Premium finance companies	63
Companies that issue traveler's checks, money orders or electronically send funds	93
Debt adjusters	61
Credit service organizations	29

The section issues reports to the Governor on payday lending and redlining laws. They can be found at finance.mo.gov.

Mortgage Licensing Section

This section regulates mortgage brokers and mortgage loan originators through licensing and on-site exams. A mortgage broker is a company; a mortgage originator is an individual employed by a mortgage broker. Bank and credit union employees are exempt from licensing.

The section investigates license applicants for criminal history, general fitness, experience and financial responsibility (including credit history).

Examinations of licensed companies are conducted to determine their adherence with a multitude of state and federal compliance laws.

2014 STATS

Companies and individuals regulated by Division of Finance: 8,167	● State-chartered banks in Missouri: 262	● State-chartered savings and loan associations: 5	● Nondeposit trusts: 5	● Mortgage loan originators: 4,121	● Consumer credit licensees: 2,930
			● Mortgage brokers: 393		



Finance Division 2014 ACHIEVEMENTS

Division surpasses \$100 billion in assets

The Division of Finance reached a record \$100 billion in assets in August. Four years earlier, Commerce Bank converted from a national- to a state-chartered institution, increasing assets from \$71 billion to \$91 billion.

“Since that time we have seen constant and steady growth,” said Acting Finance Commissioner Debbie Hardman. “Our state has been touted by industry experts as providing an economic and regulatory environment for bankers to thrive in.”

Missouri also was rated “number one best banking state” by MoneyRates.com.



Veteran regulator named acting finance commissioner

Debbie Hardman was named acting finance commissioner. The previous commissioner, Rich Weaver, retired Aug. 1 after devoting nearly 30 years to the division.

Hardman previously was deputy commissioner of finance.

She began her career with the division in 1984 as a field examiner. In 1991, she was promoted to financial examiner specialist where her responsibilities included reviewing bank mergers, requests to branch



Debbie Hardman

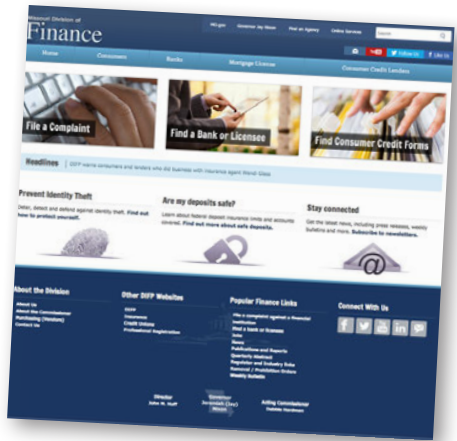


Christie Kincannon

or expand, and bank closures and sales.

Hardman became a review examiner in 2011, which gave her the added duties of reviewing and analyzing bank and savings and loan examination reports prepared by field staff.

Christie Kincannon, the division’s chief counsel, was named acting deputy commissioner. She has been with the division since 2009. Previously, she worked in the Attorney General’s Office.



finance.mo.gov

Search for state-chartered banks, file consumer complaints

Bank condition still improving

The number of problem banks in Missouri declined from 28 to 25 in 2014. As the economy continues to recover, banks are experiencing a favorable reduction in the level of past due loans and improvement in the level of earnings.

Examiner celebrates 40 years with division

Tony Story, senior consumer credit examiner III, was hired as an assistant examiner in 1974. Since then, he has worked in the St. Louis district during which time he says he has witnessed many changes.

Then, Story was one of four examiners for the state. Today he is one of 11 examiners with a much smaller territory. There also were 1,100 consumer credit licensees as compared to nearly 3,000 today.



2014 STATS



Bank assets, deposits and loans continued to increase in 2014 while the number of banks has leveled off since 2008 due to mergers, acquisitions and closures.

BANKS	
2014	262
2013	262
2012	265
2011	274
2010	275
2009	282
2008	284

ASSETS	
2014	\$103.9 billion
2013	\$98.2 billion
2012	\$96.1 billion
2011	\$93.1 billion
2010	\$71.5 billion
2009	\$80.4 billion
2008	\$76 billion

DEPOSITS	
2014	\$85.8 billion
2013	\$82.2 billion
2012	\$80.7 billion
2011	\$77.6 billion
2010	\$59.6 billion
2009	\$65.6 billion
2008	\$60.6 billion

LOANS	
2014	\$64.2 billion
2013	\$58 billion
2012	\$55 billion
2011	\$54.6 billion
2010	\$47 billion
2009	\$53.9 billion
2008	\$54.9 billion



Credit Unions Division

- Enforces laws, regulations and bylaws for state-chartered credit unions in Missouri.

- Monitors the financial condition of state-chartered credit unions to protect depositors.

- Assists consumers with complaints and inquiries.



Director
Ken Bonnot

DIVISION STRUCTURE

Protecting Missouri depositors

This division regulates and examines state-chartered credit unions for solvency to protect depositors. The division also responds to consumer inquiries and complaints about credit unions.

Credit unions can choose to be state or federally chartered. Federally chartered credit unions are regulated by the National Credit Union Administration. Customer deposits are insured by the National Credit Union Share Insurance Fund, similar to the FDIC.

EXAM TIME

The Division of Credit Unions analyzes financial statements from state-chartered credit unions each quarter. In addition, the division examines qualifying state-chartered credit unions at least every 18 months.



The Division of Credit Unions is an accredited agency through the National Association of State Credit Union Supervisors.

The division proactively performs off-site monitoring on an ongoing basis to help identify increasing risk. Credit unions facing financial, operational or compliance problems receive increased attention, which may come in the form of enforcement actions.

Consumer complaints

Complaints made by consumers against credit unions remained about the same for two years.



cu.mo.gov

Search for state-chartered credit unions, file consumer complaints

2014 STATS



Assets, deposits and loans continue to increase while the number of credit unions has dropped since 2008 following several mergers.

CREDIT UNIONS

2014	115
2013	118
2012	118
2011	124
2010	127
2009	132
2008	139

ASSETS

2014	\$11.5 billion
2013	\$11.1 billion
2012	\$10.9 billion
2011	\$10.3 billion
2010	\$9.7 billion
2009	\$9.4 billion
2008	\$8.5 billion

DEPOSITS

2014	\$9.9 billion
2013	\$9.7 billion
2012	\$9.3 billion
2011	\$8.8 billion
2010	\$8.4 billion
2009	\$7.9 billion

LOANS

2014	\$7.4 billion
2013	\$6.7 billion
2012	\$6.3 billion
2011	\$6.1 billion
2010	\$6 billion
2009	\$6.1 billion

Leadership
Top 10

Insurance Consumer Affairs
Connecting with you

Insurance Market Regulation
Insurance Company Regulation

Administration
Technology

Finance
Credit Unions

Professional Registration
National leadership

International
engagement



Director in leadership role for national regulators group

Division Director Ken Bonnot was reappointed to the Legislative and Regulatory Affairs Committee of the National Association of State Credit Union Supervisors.



The committee is a standing committee that works to advance legislative and regulatory issues that preserve the viability of the dual chartering system. The committee strengthens state credit union regulatory agencies by communicating and working cooperatively, whenever practicable, with the credit union community and federal and state legislative and governmental bodies.

State credit union regulators formed NASCUS in 1965 to promote the safety and soundness of state-chartered credit unions.



STATE CHARTERED CREDIT UNIONS

No failures in eight years; hit record \$11.5 billion in assets

For the eighth year in a row, the Division of Credit Unions has had no credit union failures. Also, at the end of 2014, there are no credit unions in "problem" status as defined by the division and the National Credit Union Administration.

The number of priority credit unions in Missouri hit zero in February 2013, with the trend continuing through 2014.

Credit union assets eclipsed the \$11.5 billion mark in December 2014 for the first time in state history. The \$11 billion milestone was set in May 2013.

This growth is credited partly to investors who choose to deposit their money in more conservative, federally insured credit union accounts instead of the stock market.

Three credit unions merged in the St. Louis area in late 2014, bringing the number of credit unions to 115 at year's end.



Kevin Weaver
Chief financial examiner for division



Joe Martin
Deputy director and general counsel for division

STATE-CHARTERED CREDIT UNION STATS

- Credit unions regulated: 115.
- Ranking in nation: No. 8.
- Percentage of state-chartered credit unions in Missouri: about 90 percent.



Division helping low-income credit unions access benefits

As of year-end 2014, there are now 21 credit unions designated as "low-income credit unions" in Missouri.

These credit unions have access to benefits unavailable to other credit unions.

The benefits are designed to help the credit unions serve members recognized to have challenges accessing mainstream financial products and services.

The division has assisted credit unions in these efforts. This is an increase from 12 at year-end 2013.

Credit Unions fiscal manager oversees committee that helps team members

Debbie Davis, fiscal and administrative manager for the Division of Credit Unions, chairs DIFP's committee that assists co-workers suffering from a serious illness or injury and who have depleted their vacation and sick leave hours.



Debbie Davis

DIFP team members can donate unused vacation hours to the Leave Share Committee, which determines eligibility. Each of the divisions has a representative on the committee.

Professional Registration Division

● Protects consumers by licensing professionals and companies to ensure they meet the requirements of Missouri law. Licensing includes review of qualifications, education and criminal history.

● Processes applications, determines qualifications and conducts investigations into potential misconduct for 243 professions, including doctors, nurses, funeral homes, CPAs and architects.



Director Katie Steel Danner

DIVISION STRUCTURE

Board licensing, discipline

Licensing and discipline are handled by 40 boards housed within the division. Boards review applications, issue licenses and investigate and discipline licensed professionals and businesses. The division's 239 board members are appointed by the Governor with the consent of the state Senate for terms established by statutes governing each board. The division receives no general revenue and is fully funded by the fees paid by licensees.

The division's Administrative Unit includes the division director and provides assistance with human resources, budget, legislation, information technology and other functions to all boards.

Some boards have dedicated investigators and inspectors, while others use the division's Central Investigative Unit. These teams respond to complaints about licensees and inspect salons, barber shops, funeral homes, tattoo shops and other facilities to check for compliance with state laws and regulations.



Educating the educators

More than 45 real estate educators from Missouri shared best practices and ideas during the Real Estate Commission's Annual Educator's Meeting. Real Estate Commission Executive Director Janet Carder addresses the participants. During the daylong meeting, participants discussed student-centric learning, education challenges from the industry and the ever-changing technology, and reviewed state exam statistics.

Get on board: The division assists the Governor's Office to fill vacancies and replace board members whose terms have expired. There are 239 board members. Qualified, energetic professionals interested in serving on a professional licensing board are encouraged to apply at boards.mo.gov.

Disciplinary procedures

To discipline a licensee, boards in most cases must file a complaint with the Administrative Hearing Commission (part of the Office of Administration), which determines whether there is cause for discipline. When cause is found, boards can suspend or revoke licenses, put a licensee on probation or censor a license.

Through education and discipline, the professional licensing boards emphasize compliance with the laws and regulations of each profession. As a result, licensees better understand the regulations governing their professions, provide improved service for Missourians and generate fewer consumer complaints.

Director of boards marks 40 years

Pam Groose, executive director of five state boards, celebrated her 40th year at the division. She and a Division of Finance examiner are the longest-serving team members at the DIFP. She was hired by the Board of Nursing in 1974 as a clerk typist. Over the next 23 years, she advanced into other board positions until 1997, when she became director for the Committee of Psychologists.



She says one of the biggest changes has been the increase in boards. In 1974, there were 14 boards; now there are 40. Other significant changes have been in technology, including online renewals and applications.



2014 STATS

- Boards and commissions supported: 40
- Professions licensed: 243
- Licensed professionals and businesses: More than 453,488
- Licensing fees collected: \$18.5 million

Leadership
Top 10

Insurance Consumer Affairs
Connecting with you

Insurance Market Regulation
Insurance Company Regulation

Administration
Technology

Finance
Credit Unions

Professional Registration
National leadership

International
engagement





The Real Estate Commission team celebrates earning an “excellent” rating. From left are Helen Veltrop, LaTrise Wilson, Doug Keeney, Terry Murphy, Mary Baysinger, Karen Buschjost, Director Janet Carder holding report, Carmen Cobb, Donna Prenger and Pam Mason.

Boards earn “excellent,” “good” audits

Real Estate Commission Executive Director Janet Carder and her team earned an “excellent” rating on their audit report. The state Auditor’s Office conducted the audit for fiscal years 2013 and 2014. “This rating highlights how seriously the commission takes its responsibility to follow the statutes and regulations and to develop and implement sound practices,” says Carder.

Board of Pharmacy Executive Director Kimberly Grinston and her team earned a “good” rating on their audit report, which noted the board as being “well-managed.”

The Board of Accountancy was audited for fiscal years 2013 and 2014. The board received a “good” rating with “no significant deficiencies in internal control and no significant deficiencies in management practices and procedures.”

PROMOTING PATIENT SAFETY

Statewide safety survey conducted

The Board of Pharmacy conducted a statewide pharmacy patient safety survey to assess patient safety culture and awareness in pharmacy practice.

The board will use the results to identify ways to increase patient safety education and awareness in pharmacies. The board asked all of its licensees and registrants to complete the survey.

In 2013, the board launched a statewide MoSafeRx Program. The initiative encourages pharmacists to further integrate patient safety practices into their pharmacies, as well as to help educate consumers about their prescription medications.

ORGANIZERS

The executive directors of the four state health boards organized the conference.



Brian Barnett
Dental



Connie Clarkston
Healing Arts



Kimberly Grinston
Pharmacy



Lori Scheidt
Nursing

First joint Patient Safety Conference held

The licensing boards for Dental, Nursing, Pharmacy and Registration for the Healing Arts hosted the first Joint Regulatory Patient Safety Conference in Columbia. More than 200 health professionals attended. This was the first time all four health boards joined to address public protection issues.

Representatives from the boards participated as well as the director of the private nonprofit Center for Patient Safety, and pharmacists and health care professionals from the University of Missouri Health Care and MU School of Medicine.

The boards are committed to providing platforms for discussing issues of mutual concern and to hosting conferences that promote patient safety and public protection. The second annual conference will be held Aug. 28, 2015, in Jefferson City.

2014 STATS



pr.mo.gov

Find out if a professional is licensed or file a complaint online.

Professional Registration year-end stats

The number of licensed professionals has increased every year since 2010. There are 31,299 more professionals than in 2010.

LICENSEES

2014	453,488
2013	439,442
2012	434,557
2011	426,214
2010	422,189
2009	424,619

DISCIPLINE INITIATED

2014	2,023
2013	1,710
2012	2,017
2011	1,751
2010	2,456
2009	1,826



Professional Registration Division

PROFESSIONALS REGULATED BY BOARDS AND COMMISSIONS

The state’s professional licensing boards and commissions inspect everything from financial operations of CPAs to hygienic practices of hair salons and tattoo artists. The division regulates 453,488 individuals and companies.

Accountants and accountancy firms	21,393
Acupuncturists	135
Athlete agents	78
Athletics: Professional boxers, wrestlers and mixed martial arts	1,054
Architects, professional engineers, professional land surveyors and landscape architects	26,345
Behavior analysts	287
Chiropractors	2,448
Cosmetologists and barbers	81,152
Professional counselors	5,708
Dentists and dental hygienists	12,963
Dietitians	1,966
Embalmers and funeral directors	6,160
Cemeteries (endowed care)	128
Geologists	905
Healing arts: Physicians and surgeons Physician assistants Physical therapists and assistants Speech language pathologists	43,317

OVERSEEING LICENSING BOARDS



The Missouri Board of Pharmacy holds a disciplinary hearing for a licensee in Columbia in mid-October. **LEFT:** Presiding over the hearing is board President Janine Burkett (center), assisted by Kimberly Grinston, executive director of the board, and Curtis Thompson, general counsel.

Clinical audiologists		Nurses	135,293	Real estate appraisers	2,747
Clinical perfusionists		Occupational therapists	4,991	Real estate agents and brokers	37,779
Anesthesiologist assistants		Optometrists	1,287	Respiratory care practitioners	4,306
Audiologists		Pharmacists, pharmacies and pharmacy technicians	36,958	Social workers (clinical)	7,523
Athletic trainers		Podiatrists	349	Tattoo, body piercing and branding artists	1,550
Hearing instrument specialists	275	Private investigators and private fire investigators	834	Veterinarians and vet technicians	5,104
Interior designers	71	Psychologists	2,140	TOTAL	453,488
Interpreters	766				
Marital and family therapists	276				
Massage therapists	7,200				



National Leadership

DIFP continues to make a national mark as a leader in state-based regulation. Numerous representatives of the department hold positions in national associations, giving prominent voice to Missouri's common-sense approach to regulation and consumer protection.

INSURANCE



Director Huff, right, receives the NAIC Distinguished Service Award from NAIC President and North Dakota Insurance Commissioner Adam Hamm.

Director Huff honored with national Distinguished Service Award

The National Association of Insurance Commissioners presented Director Huff with the Distinguished Service Award at its Fall National Meeting. He was recognized for his tenure on the U.S. Department of Treasury's Financial Stability Oversight Council (FSOC).

He was appointed to the council in September 2010 as the state regulator's voice on the council. His term expired in 2014. FSOC was established under the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act.

It provides comprehensive monitoring of the stability of the nation's financial system. It is charged with identifying risks, promoting market discipline and responding to emerging risks to the stability of the U.S. financial system.

The council, which consists of 10 voting members and five nonvoting members, brings together the expertise of federal financial regulators, state regulators and an independent insurance expert appointed by the President.

Director Huff continues to play a key role in the U.S. system of state-based insurance regulation. In February 2015 he was elected by his peers to serve as President-Elect of the National Association of Insurance Commissioners. He assumes the role of NAIC president in 2016. The last time a Missouri insurance director headed the NAIC was in 1955.

Director Huff also has served in several other leadership roles with the NAIC, including the U.S. Financial Stability Oversight Council. He was the first state insurance regulator to be appointed by the NAIC to the council.

In 2014 Director Huff was appointed to chair multiple committees, including the Financial Regulation Standards and Accreditation (F) Committee, NAIC Reinsurance (E) Task Force, and NAIC Governance Review (EX) Task Force. He also served as vice chair of the NAIC/Industry Liaison Committee.

Other NAIC committees on which Director Huff serves:

- Financial Stability (EX) Task Force
- International Insurance Relations (EX) Leadership Group
- Principle-Based Reserving Implementation (EX) Task Force
- Speed to Market (EX) Task Force
- Regulatory Framework (B) Task Force
- Senior Issues (B) Task Force
- Title Insurance (C) Task Force
- Workers' Compensation (C) Task Force
- Antifraud (D) Task Force
- Financial Condition (E) Committee
- Receivership and Insolvency (E) Task Force
- International Insurance Relations (G) Committee
- Relations Committee (G).

Angela Nelson, director of the Market Regulation Division, is chair of the Consumer Readability and Transparency Working Group (NAIC C Committee) and the Consumer Information Subgroup (NAIC B Committee). She also serves on the NAIC's Operational Efficiencies (EX) Working Group, Catastrophe Insurance (C) Working Group, Crop Insurance (C) Working Group, Earthquake (C) Study Group, Risk Retention (C) Working Group, Title Consumer (C) Working Group, and the NAIC/IAIABC Joint (C) Working Group.



John Rehagen, director of the Company Regulation Division, serves on the NAIC's Qualified Jurisdiction (E) Working Group, Reinsurance Financial Analysis (E) Working Group, PBR Review (EX) Working Group and Reinsurance Regulation (E) Drafting Subgroup.



Leslie Nehring, chief financial examiner for the Company Regulation Division, serves on the NAIC's Exam Oversight (E) Task Force, Financial Examiners Coordination (E) Working Group, Risk Focused Surveillance (E) Working Group, Group Solvency Issues (E) Working Group and PBR Review Procedures (E) Subgroup.



Jim Mealer, chief market conduct examiner for the Market Regulation Division, is vice chair of the NAIC Examination Standards working group. He also serves on the NAIC's Advisory Organization Exam Oversight Working Group and Market Analysis Procedures (D) Working Group.





National Leadership

INSURANCE

Debbie Doggett, chief financial analyst for the Company Regulation Division, serves on NAIC's Financial Analysis Handbook (E) Working Group, Financial Analysis Research and Development (E) Working Group, PBR Blanks Reporting (EX) Subgroup and National Treatment and Coordination Working Group.



Tamara Kopp, senior counsel for receivership, serves on the NAIC's Title Insurance Guaranty Fund (C/E) Working Group.



Mary Mealer, life and health manager for the Market Regulation Division, represents the Midwest Zone in the NAIC Professional Designation Program.



Mike Shadowens, assistant chief financial examiner for the Company Regulation Division, serves on the Board of Governors for the Society of Financial Examiners. He is Missouri's designated state chair for the society and serves on the NAIC's Financial Examiners Coordination (E) Working Group.



Mark Nance, assistant chief financial examiner for the Company Regulation Division, serves on the NAIC/AICPA (E) Working Group, Financial Examiners Handbook (E) Technical Group and IT Examination (E) Working Group.



Molly White, market reforms initiatives manager for the Market Regulation Division, serves on the NAIC's ERISA (B) Working Group.



William Leung, life and health actuary for the Company Regulation Division, serves on the NAIC's PBR Review (EX) Working Group, Separate Account Risk (E) Working Group, PBR Review Procedures (EX) Subgroup, PBR Blanks Reporting (EX) Subgroup, Aggregate Margin (A) Subgroup, Long-term Care Pricing (B) Subgroup and VM-22 (A) Subgroup.



Julie Lederer, property and casualty actuary for the Company Regulation Division, serves on the NAIC's Capital Adequacy (E) Task Force and Actuarial Opinion (C) Subgroup. She also serves on the Casualty Actuarial Societies Actuarial Review Committee, Committee on Reserves and Membership Advisory Panel.



Joan Dutill, property and casualty regulatory manager for the Market Regulation Division, serves on the NAIC's Commercial Lines (EX) Working Group and Terrorism Insurance Implementation (C) Working Group.



Brent Kabler, research analyst IV for the Market Regulation Division, chairs the NAIC Market Information Systems Research and Development (D) Subgroup, and serves on the NAIC's Profitability (C) Working Group and Statistical (C) Subgroup.



Martha Long, market conduct examiner-in-charge for the Market Regulation Division, serves on the Executive Committee for the Insurance Regulatory Examiners Society Board of Directors. She was elected secretary and is chair of the Membership and Benefits Committee.



CREDIT UNIONS

Ken Bonnot, director of the Credit Unions Division, serves on the Legislative and Regulatory Affairs Committee and Audit Committee for the National Association of Credit Union Supervisors.



ARCHITECTS, ENGINEERS, SURVEYORS, LANDSCAPE ARCHITECTS

Judy Kempker, executive director of the Board for Architects, Professional Engineers, Professional Land Surveyors and Landscape Architects, is an associate member of the National Council of Architectural Registration Boards; National Council of Examiners for Engineering and Surveying; and Council of Landscape Architectural Registration Boards.



REAL ESTATE

Janet Carder, executive director of the Real Estate Commission, is on the board of directors for the Association of Real Estate License Law Officials.



ENDOWED CARE CEMETERIES, SOCIAL WORKERS

Tom Reichard, executive director of the boards of Endowed Care Cemeteries and Social Workers, was elected president of the North American Death Care Regulators Association. He also was appointed to the Program and Education Committee of the Association of Social Work Boards.



FINANCE

Joe Crider, supervisor of consumer credit for the Division of Finance, serves on four committees for the National Association of Consumer Credit Administrators. They are the Continuing Education Committee, Distinguished Service Award Selection Committee, Nomination Committee and the Past Presidents Advisory Committee, which comprises former NACCA presidents who are still active members.



ATHLETICS

Tim Lueckenhoff, executive director of the Office of Athletics, is president of the Association of Boxing Commissioners. He has served as its president for 13 years.



NURSING

Lori Scheidt, executive director of the Board of Nursing, serves as vice chair of the Nurse Licensure Compact Administrators Executive Committee and is on the Discipline Effective Practices Subcommittee. She also chairs the Member Board Review Agreement Committee of the National Council of State Boards of Nursing.



Angie Morice, licensure administrator for the Board of Nursing, is on the Licensure Effective Practices Subcommittee of the Nurse Licensure Compact.





International Engagement

DIFP continues to reach out to international insurance regulators and to provide information about the U.S. system of state-based regulation.



Regulators learn Missouri's operations

Insurance regulators from Nigeria, the Czech Republic and China completed five-week fellowships with the DIFP in 2014. They visited as part of the National Association of Insurance Commissioners' International Fellows Program.

Ahmad Adamu is solicitor for the National Insurance Commission of Nigeria, where he manages regulatory intervention of insurance companies and coordinates compliance activities.

Robert Simek is an off-site inspector who specializes in business conduct. He reports to the Czech National Bank

regarding the insurance industry.

Yalin Piao is a veteran financial analyst from the China Insurance Regulatory Commission. She monitors and analyzes the financial condition of insurance companies.

During their stays, they worked with each of the department's divisions and met with companies regulated by the department.

DIFP began participating in the fellowship program in 2009. It has hosted 14 international regulators.

TOP PHOTO: Ahmad Adamu, left, and Robert Simek at the Missouri State Capitol.
LEFT PHOTO: Yalin Piao with the president of the Kansas City Federal Reserve Bank, Esther George, DIFP Communications Director Chris Cline and Public Information Specialist Yaryna Klimchak. Cline mentored Piao.

Company Regulation team hosts regulators from Thailand

The Company Regulation team in Kansas City hosted four insurance regulators from the Thailand Office of Insurance Commission on June 26. The Thai delegation was in Kansas City the week of June 23 to visit the National Association of Insurance Commissioners office and learn about information system tools used by the NAIC.

The DIFP team explained how the office was structured and how it uses the resources provided by the NAIC for analysis and examinations.



Thai regulators visit Kansas City team members in the Company Regulation Division. From left are Kim Dobbs, information systems financial examiner; Jitsal Kengsarlt, IT specialist; Mark Nance, audit manager; Supaklt Ruttiwalaya, senior IT director; Bernie Troop, financial examiner/analyst; Somklat Wattanaprasobsuk, IT specialist; and Paiboon Peammaetta, director.



Director Huff addresses capital standards for global insurers

Director Huff gave the [keynote address](#) on behalf of the National Association of Insurance Commissioners at the 21st annual Conference of the International Association of Insurance Supervisors (IAIS).

It was attended by 685 participants, the highest number since the founding of the IAIS.

In what it called the "first-ever global insurance capital standard," the IAIS laid out a new capital ratio methodology and policy measures that will apply to companies designated as globally systemically important insurers.

Nine of the largest insurance companies in the world could be subject to new capital standards released by the IAIS.



DIFP

Department of Insurance,
Financial Institutions &
Professional Registration

2014 Annual Report

UPLOADED APRIL 2015



Online complaint forms and subscription service

@ **difp.mo.gov**

File a complaint against licensed professionals
such as doctors, nurses and barbers or businesses such as
insurance companies, banks, credit unions, mortgage brokers, lenders
and vehicle service contract providers.

Subscribe to the latest news
from our divisions.

PROTECTING MISSOURI CONSUMERS

INSIDE

Leadership
Top 10

Insurance Consumer Affairs
Connecting with you

Insurance Market Regulation
Insurance Company Regulation

Administration
Technology

Finance
Credit Unions

Professional Registration
National leadership

International
engagement

26